



Governor Quinn, Secretary LaHood Announce Landmark Railcar Manufacturing Contract for Illinois-Based Nippon Sharyo

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Governor Pat Quinn today was joined by U.S. Secretary of Transportation Ray LaHood, Illinois Department of Transportation (IDOT) Secretary Ann L. Schneider and leaders from Sumitomo Corporation of America (SCOA) to announce that Illinois-based Nippon Sharyo has been awarded a \$352 million contract from the California Department of Transportation (Caltrans). The contract will allow Nippon Sharyo, a railcar manufacturing company which Governor Quinn recruited to Illinois, to build 130 passenger railcars that will be delivered throughout the Midwest and California starting in 2015. Today's announcement will put people back to work and advance the governor's efforts to build a 21st century rail system in Illinois.

"Illinois is committed to building a high-speed, 21st century rail system and leading the nation in rail equipment manufacturing," Governor Quinn said. "By working together with other states, the federal government and outstanding Illinois-based companies like Nippon Sharyo, we can put people back to work and advance Illinois' role as one of the nation's top transportation hubs."

In October, Governor Quinn, Senator Dick Durbin and Secretary LaHood led the first-ever test run of high-speed rail between Pontiac and Dwight.

The awarding of the contract from a joint procurement between IDOT and Caltrans is the final step in a first of its kind multi-state procurement that will also see new railcars delivered to Michigan and Missouri. California will buy 42 railcars and the Midwest coalition will buy 88 railcars, which will operate out of Amtrak's Chicago hub. The competitively-bid contract for 130 state-of-the-art, bi-level passenger railcars was won by Sumitomo Corporation of America, which will deliver these railcars through Rochelle, Illinois-based railcar manufacturer Nippon Sharyo. This next generation equipment procurement is being funded through the Federal Railroad Administration and has met all requirements to ensure that the final assembly be prepared by American workers, with American-sourced steel, iron and manufactured components.

"This new era of passenger rail will give travelers better, faster transportation options and create jobs for American workers building the 130 rail cars in Illinois," said U.S. Secretary of Transportation Ray LaHood. "This is good news for rail travelers and for the regional economy, and it's one more example of President Obama's vision of an America Built to Last."

The new cars are designed for operation at speeds up to 125 mph and equipped to deal with weather extremes throughout the country. The stainless steel car body is designed to provide a longer usable life with reduced maintenance requirements and will include amenities such as Wi-Fi, increased space between seats in all classes of service, state of the art visual and audible announcement systems. In addition, it will exceed current ADA requirements. The bi-level design of the new cars will increase capacity of Chicago "Hub" trains significantly over existing trains - up to 90 people per coach.

"We are proud to partner with Caltrans and the Midwest Coalition to cost-effectively procure the state-of-the-art passenger railcar equipment needed to address the increasing demand for efficient and convenient passenger rail service throughout the state," said Illinois Transportation Secretary Ann L. Schneider. "With Amtrak ridership at record levels in Illinois and the official purchasing process of the railcars under way, this massive project will continue to boost America's manufacturing and assembling industry and provide improved travel options for the entire Midwest."

"By pooling our resources, all four states involved in this partnership can purchase the equipment at lower costs because it will be acquired in high volume under one contract," said Caltrans Director Malcolm Dougherty in a statement. "These new railcars will help us meet the growing ridership demand on California trains, which is up 53 percent since 2002."

Sumitomo Corporation of America and Nippon Sharyo have supplied approximately 900 commuter rail cars in the North American market since the 1980s. Sumitomo has developed or managed transportation systems in Illinois, Indiana, Maryland, California, Virginia, Canada, Japan and the Philippines.

"SCOA, with our carbuilder subcontractor Nippon Sharyo, is most pleased to be selected for the U.S.'s first high-speed railcar procurement under The American Recovery and Reinvestment Act of 2009. We also look forward to working closely with these four transit authorities and to be part of the growth of their surrounding communities." said Mr. Hideyuki "Hugh" Ninomiya, Director, Transportation Systems and Equipment, Sumitomo Corporation of America. "Our team is proud to partner with Caltrans and the Midwest Coalition to provide state of the art, cost-effective, "Made in America", high-speed passenger rail cars."

In July, Governor Quinn joined Nippon Sharyo at the grand opening of its new U.S. headquarters and 465,000 square foot manufacturing facility passenger railcar production facility in Rochelle. Nippon Sharyo is investing \$50 million and creating at least 250 jobs in Rochelle, while the state is providing support of \$10 million in targeted investments through Governor Quinn's Illinois Jobs Now! capital construction program, job-creation based Economic Development for a Growing Economy (EDGE) tax credits, and Employer Training Investment Program (ETIP) job-training funds. In 2010, Metra announced that it will purchase 160 new rail cars from Nippon Sharyo over the next five years with \$585 million provided through the Illinois Jobs Now! program.

Illinois has become a national leader in passenger rail expansion and the Midwest leader in implementation of high-speed rail service. Total ridership on Amtrak's four Illinois routes has grown nearly 75% over the past six years, rising to more than 2.1 million passengers last year.

Ridership on today's Chicago-St. Louis Lincoln Service alone has doubled in that time period, despite relatively slow speeds and aging equipment. When the Chicago to St. Louis high-speed rail corridor is completed, trains will reach top speeds matching those of trains now traveling between Chicago and Detroit, the fastest passenger trains in North America outside of the East Coast. 110-mph speeds will be achieved in sections of the corridor this fall, with 75% completion scheduled for 2015.

To follow progress, updates and completed improvements along the signature Chicago-St. Louis high-speed rail corridor, please visit www.idothsr.org.